



Monterey County

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Board Report

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Matter Type: General Agenda Item

- a. A Conduct a Public Hearing to take comments on the draft Action Plan for Program Year 2018-19 (PY2018/19) and proposed allocation of Community Development Block Grant (CDBG) funds;
- b. Approve the PY2018/19 Action Plan, containing recommendations for funding of projects and programs;
- c. Authorize the Director of Economic Development to submit the PY2018/19 Action Plan to HUD and to execute documents required by HUD to implement the PY2018/19 Action Plan;
- d. Approve the Subrecipient Agreement templates, to be used to distribute PY2018/19 Urban County grants;
- e. Authorize the Director of Economic Development to execute Subrecipient Agreements with Urban County grantees, including making minor changes as necessary, with prior review by County Counsel to implement Urban County PY2018/19 projects and programs; and
- f. Approve an allocation of Urban County Community Development Block Grant and program income funds for PY2018/19 of \$1,601,122.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Conduct a Public Hearing to take comments on the draft Action Plan for Program Year 2018-19 (PY2018/19) and proposed allocation of Community Development Block Grant (CDBG) funds;
- b. Approve the PY2018/19 Action Plan, containing recommendations for funding of projects and programs;
- c. Authorize the Director of Economic Development to submit the PY2018/19 Action Plan to HUD and to execute documents required by HUD to implement the PY2018/19 Action Plan;
- d. Approve the Subrecipient Agreement templates, to be used to distribute PY2018/19 Urban County grants;
- e. Authorize the Director of Economic Development to execute Subrecipient Agreements with Urban County grantees, including making minor changes as necessary, with prior review by County Counsel to implement Urban County PY2018/19 projects and programs; and
- f. Approve an allocation of Urban County Community Development Block Grant and program income funds for PY2018/19 of \$1,601,122.

SUMMARY:

The U.S. Department of Housing and Urban Development (HUD) has re-qualified the County of Monterey as an Urban County for entitlement purposes for Program Year (PY) 2016-17 through PY 2018-2019. The Urban County includes the County of Monterey and the cities of Gonzales, Greenfield and Sand City. To receive its annual Community Development Block Grant (CDBG) grant allocation for PY2018/19, the Urban County must adopt an Annual Action Plan which sets forth a

description of eligible projects and programs to be funded. The Annual Action Plan is to be submitted to HUD by June 30, 2018.

DISCUSSION:

Since the first award of an allocation from HUD in FY2013-14, the Urban County has expended more than \$5.8 million in CDBG entitlement funds and program income on infrastructure, public facilities, and public services in Del Rey Oaks, Gonzales, Greenfield, Sand City and the unincorporated areas of the County of Monterey. For PY2018/19, the HUD allocation is \$1,394,327. During the third and fourth quarters of PY2017/18, the Urban County received two housing loan payoffs totaling \$150,795 that were not programed in PY2017/18 and anticipates receiving additional loan repayments totaling \$10,000 during PY2018/19 for total available financing of \$1,601,122.

Each year, HUD recipients are required to submit an Action Plan to HUD which includes approved funding recommendations for projects, services, and administration. To satisfy that requirement, Notices of Funding Availability (NOFA) were published in El Sol, the South County Newspaper Group and the Monterey County Weekly announcing that the Urban County anticipated having CDBG funds in the amount of \$1,601,122 for PY2018/19. The Urban County may use up to \$231,768 to fund public service activities and \$280,865 for general administration of the CDBG program. The balance of the funds must be used for projects.

On December 8, 2017, an application workshop for interested parties was held at the County Government Center. Representatives from 11 organizations attended the workshop. The Urban County's application period lasted from December 8, 2017 through January 17, 2018. The Urban County received 12 applications requesting \$250,360 for public service activities, six requesting \$1,484,431 for public facilities or infrastructure activities and one proposal requesting \$100,000 for owner occupied housing rehabilitation. Attachment 1, includes: Table A: Summary of Sources and Uses; Table B:

On March 8, 2018, the Urban County Standing Committee reviewed the applications for funding and made recommendations which have been incorporated into the Annual Action Plan. Public services recommended for funding address a range of issues including: fair housing services (a HUD mandate), food security; transitional housing; housing counseling; and youth leadership development. Public facilities activities recommend for funding include: developing 8 new emergency shelter beds for homeless veterans; helping low- and moderate- income homeowner households connect to water systems; ADA projects in Gonzales and Sand City; and infrastructure improvements in Greenfield. GRID Alternatives is recommended to continue receiving financial support to install solar electric systems on homes owned and occupied by low- and moderate- income households.

OTHER AGENCY INVOLVEMENT:

The cities of Gonzales, Greenfield, and Sand City have partnered with the County to re-qualify as a HUD designated Urban County. The City of Gonzales approved an allocation to make ADA accessibility improvements to community facilities at Centennial Park and City Hall and to re-roof the City Council Chambers; Greenfield approved a program of infrastructure improvements on Walnut Avenue with their combined PY2017/18 and PY2018/19 allocations; and the City of Sand City is

proposing to make improvements at Calabrese Park with three years of accrued allocations and the forward funding of their next three years' allocation. County staff made recommendations for county projects to the Standing Committee. Staff from the three cities and the county made recommendations to the Standing Committee regarding programs. On March 8, 2018, the Standing Committee reviewed the applications and made recommendations on funding that are included in the Annual Action Plan. County Counsel has reviewed the Annual Action Plan, Subrecipient Agreement and Subrecipient Agreement (Legal Services) as to form and legality.

FINANCING:

This action does not change the FY 2017-2018 appropriations, revenues or positions. The HUD grant is an annual agreement. If the County complies with grant requirements, the County may elect to continue to receive annual entitlement funding, subject to the federal budget process.

The Economic Development Department prepared a budget request for FY 2018-19 based on the FY 2017-2018 funding level plus \$10,000 from Program Income for Fund 13, Unit Code 8200 (Community Development Grants), Appropriation Code DEO 003. After the FY 2018-19 budget request was prepared the County received two unanticipated loan payoffs totaling \$150,795. On May 1, 2018, HUD issued the PY2018/19 allocation amount on May 1, 2018, and the County is receiving approximately \$175,000 more than is anticipated in the FY2018-19 Recommended Budget. The Budget Office is aware of these modifications and will incorporate them in the Adopted FY 2018-19 Budget. There is no impact to the General Fund because of the Board's approval of the Action Plan.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Authorizing the Urban County to post the PY2018/19 Action Plan is the first step toward making an anticipated \$1,601,122 available to help local jurisdictions make improvements to public facilities and non-profit agencies to create new housing opportunities for the psychiatrically disabled, provide food security, help develop children and youth develop the social skills they need to be successful in life and help provide homeless veterans with temporary housing.

Mark a check to the related Board of Supervisors Strategic Initiatives

☒ Economic Development
☒ Administration
☒ Health & Human Services
☒ Infrastructure
☒ Public Safety

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Attachments:

Board Report

Attachment 1 Summary of Available Funding and Funding Recommendations

Attachment 2 Draft 2018/2019 Annual Action Plan

Attachment 3 Subrecipient Agreement Template

Attachment 4 Subrecipient Agreement (Legal Services) Template